

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: U S WEST COMMUNICATIONS, INC.	DOCKET NO. RPU-00-1 (TF-01-244)
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**ORDER SUSPENDING RETAIL COMPLIANCE TARIFF
AND ESTABLISHING PROCEDURAL SCHEDULE**

(Issued August 31, 2001)

On January 11, 2001, the Utilities Board (Board) issued a final decision and order in this docket in which the Board approved a methodology for deaveraging the unbundled network element (UNE) loop price for Qwest Corporation (Qwest). In the same order, the Board authorized Qwest to adjust certain retail business rates, consistent with certain criteria (as specified in the order). Qwest was directed to file proposed revised tariffs, complying with the requirements of the Board order, within 45 days of the date the final decision and order was issued. (That deadline was subsequently extended, by order issued March 9, 2001.)

The Board's order provided that when the compliance tariffs are filed, the other parties would have 20 days to review the tariff and file objections. The Board further stated that if any objections were filed, the Board would order such additional proceedings as may be appropriate in the circumstances.

On August 6, 2001, Qwest filed its proposed retail compliance tariff. The proposed tariff included rates for the Qwest wire centers in Carter Lake, Canton-

Fairview (East), and Harrisburg-Tea (East), each of which represents an Iowa service territory that is served from a switch located in an adjoining state. Because the switches are out-of-state, they are not included in the Hatfield model that was used to deaverage Qwest's Iowa wholesale rates, but Qwest proposed to change the retail rates in these wire centers in order to preserve statewide uniformity. However, on August 21, 2001, Qwest filed corrected proposed tariff pages removing the three identified wire centers until the parties are able to determine the correct zone for each.

On August 27, 2001, the Consumer Advocate Division of the Department of Justice (Consumer Advocate) filed an objection to the proposed tariff¹. Consumer Advocate objects that Qwest's compliance tariff violates two of the four criteria specified in the Board's January 11, 2001, order for the redesign of Qwest's retail business rates. Specifically, Consumer Advocate argues Qwest's proposed retail business rates are not revenue-neutral on a service-specific basis and the proposed rates for business flat rate services do not always equal or exceed the deaveraged UNE loop price in the same zone.

Also on August 27, 2001, Qwest filed a letter stating that a significant amount of programming work will be required to implement the proposed retail rate changes and the people who will have to do that programming are already committed to other

¹ Consumer Advocate's objection is timely, pursuant to the time computation provisions of Iowa Code § 4.1(34) (2001), because the twentieth day after the date the compliance tariff was filed was a Sunday, so the prescribed time was extended to include the following Monday.

projects, so Qwest will not be able to implement the new retail rates until some time in February 2002. Qwest requests an extension of the effective date of the proposed tariffs to coincide with the February 2002 accounting release. No specific date has been set for that release.

The Board will grant Qwest's request for an extension of the effective date, subject to the requirement that Qwest must inform the Board as soon as the specific date is determined. Granting this request will also allow time for the parties to address, and the Board to consider, Consumer Advocate's objection. It will also allow time for the parties to further discuss the appropriate treatment of retail rates in the Carter Lake, Canton-Fairview (East), and Harrisburg-Tea (East) wire centers.

IT IS THEREFORE ORDERED:

1. The request for extension of the effective date of Tariff TF-01-244, filed by Qwest on August 27, 2001, is granted. TF-01-244 is suspended and will not become effective until February 2002, at the earliest. At the earliest opportunity, but in no event later than January 4, 2002, Qwest shall file a specific proposed effective date.

2. The following procedural schedule is established for consideration of the issues raised in the objection filed by Consumer Advocate on August 27, 2001:

a. On or before September 11, 2001, Qwest (and any parties aligned with Qwest) shall file a response to Consumer Advocate's objection.

b. On or before September 25, 2001, Consumer Advocate (and any parties aligned with Consumer Advocate) may file a reply to the response(s).

3. The parties should continue their discussions regarding the appropriate treatment of retail rates in the Carter Lake, Canton-Fairview (East), and Harrisburg-Tea (East) wire centers. Qwest is directed to file a status report describing the discussions, no later than September 14, 2001.

UTILITIES BOARD

/s/ Allan T. Thoms

/s/ Diane Munns

ATTEST:

/s/ Judi K. Cooper
Executive Secretary

/s/ Mark O. Lambert

Dated at Des Moines, Iowa, this 31st day of August, 2001.